

FINANCE & UTILITY COMMISSION MEETING
Wednesday, February 17, 2021, 5:00 PM

The Committee meeting was called to order at 5:00 p.m. by Mayor Nathan Brown. This was a Zoom meeting. Those present included: Mayor Nathan Brown, Council Members John Dayton and Vaughn Ripley, Commission Members Syree Williams, Tom Smith, and Brian Keller, and staff members Dave Dunn, Carrie Myers, John Gerstner, Milt Frech, Matt Campbell, Jeremy Mose, and Rikki Bruchey. Also present were Andy Cooper, Whitman, Requardt; and Jason Azar and John Strong, Clark Azar.

Yourtee Clear Well Change Order - Andy Cooper, Whitman, Requardt, discussed the need for this change order. Callas Contractors found water infiltration in the clear well during the demolition of the metal structure that covered the well early on, thus necessitating the need for this change. The necessary change order work amounts to \$45,808.83, and 79 days of lost work. The contractor is not asking for compensation for lost work, just for a timeline extension for the project to make up the difference. Project engineers Whitman, Requardt are satisfied with Callas Contractors answers to all questions about this change and recommend approval of this change order. The Commission recommended approval to the Mayor and Council.

Clark Azar 811 Construction Management Services – Jason Azar and John Strong, Clark Azar, discussed this proposal, which staff sought after the initial contractor/project kick-off call when it was apparent the City did not have a staff person with the current time/capacity to manage the project. The original quote provided by Clark Azar for construction management services for approximately \$85,000 was for modified and as-need involvement with higher-order tasks associated with the project. The current proposal, for an additional \$145,000 includes extra services such as site visits up to three times per week, reviewing pay applications, attendance at all progress meetings, onsite inspections, reviewing test reports, reviewing maintenance and operations manuals, interfacing with subcontractors, etc. While some Commission members thought it was necessary to enter into this agreement for the success of the project, some felt the amount was high and not necessary. Mr. Smith offered to help with these services at no cost to the City, given his background in such areas. After a lengthy discussion, the Mayor and Mr. Dunn stated they would re-group internally and re-visit this discussion once all options had been vetted.

WWTP Ceiling Mounted Heaters Quote – Mr. Mose discussed this item, which was to replace the broken, outdated heater in the chemical feeding room with ceiling mounted heaters, which would be less than repairing the current heater. He stated the heaters were necessary for the proper storage of caustic soda in this room. When that chemical gets too cold, the consistency changes and it clogs the pipes that it feeds through. The Commission recommended approval of the quote, but Mr. Mose said he is still waiting to hear back from the project electrician, who may be able to get the quote even cheaper than that proposed. He will let staff know when this quote is ready to move for final approval by the Council.

Sidewalks Discussion – Mr. Dunn stated Planning staff is finding many situations as they work through the sidewalk loan program that need individual attention because of their specialized

nature. He stated Mr. Dell and/or Ms. Ingram would be discussing these program nuances at a future Council Meeting.

Depreciation Budget Discussion – Mr. Dunn explained the City’s practice has been to fund depreciation at 20% in the budgets, however, auditing standards fund it at 100%. Ms. Bruchey explained that because of this, some funds, particularly the waste water fund, ends up in the negative after the audits are completed. She doesn’t feel this is a true representation of how staff manages their budgets because this number isn’t calculated until the audit is completed. After a lengthy discussion, it was decided that Ms. Bruchey will begin adding the projected depreciation numbers to finance reports as she prepares them throughout the fiscal year so that everyone can see what the likely projections will be.

Capacity Fees/Connection Fees Budget Discussion – Mr. Dunn explained a Council Member asked whether a downtown business owner could be exempt from connection fees for a certain project. He provided the current policy for connection fees and asked the Commission if they wished to amend the policy to accommodate such a request. After a brief discussion, the Commission decided not to amend the policy because connection fees are necessary to put towards infrastructure repairs and projects.

Reserve Percentage Budget Discussion – Mr. Dunn stated GOFA recommends retaining a reserve for two months’ worth of expenses. He stated that amount for the City was roughly \$1 million. The City currently has much more, but a lot of that will be used for the 811 project. Mr. Dunn stated there would still be \$1 million left in reserves after the project is completed. He stated there is currently no language in the City’s Code to reflect this practice, and most Commission Members felt it would be a good idea to add such language during a future Code review.

Newberry Building Sale Process Update – Ms. Myers stated in the future when the Newberry sale is ready to move forward, the property would be put on the commercial real estate market. Mr. Dunn added there were no provisions to bid the property with a competitive bidding process other than the commercial real estate market.

2021 Pool Contract – Ms. Myers stated two quotes were received from RSV Pools for the upcoming season; one for a “regular” season, and one for a limited “COVID” season, as was conducted in 2020. She stated the difference between the two seasons would be less operating hours, no swim lessons, no private parties, etc. which result in less guards, chemicals, cleaning and paper products, etc. The full season quote was for \$76,194 which is only \$1,674 more than the 2020 season quote. The COVID season quote was for \$59,934. Ms. Myers stated any hybrid operation could be determined later on, and requested approval of both quotes so that a decision could be made at a later time. The Commission recommended the approval of the quotes to the Mayor and Council.

FY2021 Finance Reports – Mr. Dunn stated current revenues and expenses were in line with where they should be at this portion of the fiscal year.

The meeting concluded at 6:21pm.